



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

December 10, 1997

Gary Applegate
Indian Queen Marble, L.L.C.
1275 North Main
P.O. Box 95
Tooele, Utah 84074

Re: Second Review of Notice of Intention to Commence Large Mining Operations, Indian Queen Marble Company, Indian Queen Marble Mine, M/001/019, Beaver County, Utah

Dear Mr. Applegate:

The Division has completed a second review of your Notice of Intention to Commence Large Mining Operations for the Indian Queen Marble Mine, located in Beaver County, Utah, which was received August 25, 1997. After reviewing the information, the Division has the following comments which will need to be addressed before tentative approval may be granted. The operator has failed to adequately address all the comments in our last review letter of June 30, 1997. These items still need to be addressed in order that the review can be completed and the plan approved. The comments are listed below under the applicable Minerals Rule heading. Please format your response in a similar fashion.

The Division will suspend further review of the Indian Queen Marble Mine large mine permit application until your response to this letter is received. Once these items have been satisfied, the Division will be ready to issue tentative approval. We will then publish a 30-day public notice in the Salt Lake and local newspapers. If no adverse comments are received during the 30-day period, then we will seek acceptance from the Board of Oil, Gas and Mining of the form and amount of surety during their monthly Board Hearing. Of course, the completed surety and reclamation contract will have to be in place prior to the 10th of the month that we go before the Board.

If you have any questions in this regard please contact me, Tony Gallegos, Lynn Kunzler, or Tom Munson of the Minerals Staff. If you wish to arrange a meeting to sit down and discuss this review, please contact us at your earliest convenience. Thank you for your cooperation in completing this permitting action as soon as possible.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

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Attachment: Review

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REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Second Review

Indian Queen Marble LLC Company

Indian Queen Marble Mine

M/001/019

R647-4-104 - Filing Requirements and Review Procedures

New LMO information received and reviewed:

Five maps with narratives and one cross section received August 25, 1997

Written comments in response to DOGM last review received September 16, 1997

Third Party Bid for Reclamation (Reclamation Estimate) received October 7, 1997.

The above information needs to be made adequate for insertion into the existing plan volume.
The other option is to edit the existing plan to include this additional information. (TM)

R647-4-105 - Maps, Drawings & Photographs

The maps provided satisfy this section of the rules, however, there are discrepancies between acreages shown on the different maps. The Proposed Surface Facilities Map total acreage (13.96) does not equal the Reclamation Treatments Map total acreage (13.65). The difference may be the area identified as the "existing quarry" which does not include an acreage figure on the Reclamation Treatments Map. Were the areas of dump slopes included in both the Surface Facility Map acreage and the Reclamation Treatments Map? See the comments regarding the Reclamation Treatments Map below. (AAG)

105.3 Drawings or Cross Sections (slopes, roads, pads, etc.)

The total acreage from the reclamation estimate (14.40) does not agree with the total acreage on the Surface Facility Map (13.96), or the total acreage on the Reclamation Treatments Maps (13.65). Please explain these discrepancies and revise the maps accordingly. (AAG)

R647-4-106 - Operation Plan

106.3 Estimated acreages disturbed, reclaimed, annually

In general, reclamation of mined areas will be performed approximately 2 years after the area has been mined. The Division acknowledges the 1.28 and 0.47 acre areas were reclaimed in the fall of 1996 and spring of 1997; however, these areas have not been released. Therefore, costs for the possible reseeding of these areas will need to be included in the reclamation estimate. See the additional comments regarding conflicting acreage figures under the Maps, Drawings & Photographs, and Surety sections. (AAG)

R647-4-107 - Operation Practices

The operator has not provided a final drainage cross section as asked for. The last review also asked for a commitment in the plan that any pad expansion or enlargement will not encroach any further on the existing channel. This is needed so that natural drainage adjacent to the pad will not cause any reclamation or stability problems such as impeded flow or undercutting of the pad. (TM)

R647-4-112 - Variance

The operator has requested a variance for topsoil replacement on those areas where topsoil was not salvaged. It is assumed that these areas are the red, orange and yellow areas shown on the Reclamation Treatments Map received by the Division on August 25, 1997. Based upon this assumption, this variance request for topsoil replacement on these areas is hereby approved.
(LK)

R647-4-113 - Surety

The cover letter attached to the Reclamation Estimate states the existing disturbance is 5.67 acres and the total existing and proposed disturbance is 12.65 acres. The maps showing the Prior and Existing Disturbance show 6.67 acres of disturbance (6.20 plus 0.47 acres). Please explain these differing figures for existing disturbance. Please describe the areas and their respective acreages included in the 12.65 acre figure.

All eleven items on the reclamation estimate include costs for "two men + mileage." What was the assumed mileage for this line item, and what is the assumed town of origin for mobilization of equipment and workers? All items in the estimate include the tasks of "hand seeding and fertilizing." For clarification purposes, the term hand seeding is interpreted by the Division to mean broadcast seeding by hand. Please confirm or correct this interpretation.

Item 3 of the estimate describes four areas (1.75 acre total) as being "currently under reclamation." Since these areas have not yet been released by the Division, a cost for the possible reseeding of these areas will need to be included in the estimate. Please revise the estimate accordingly.

Item 9 of the estimate with the red color designation, describes 4.42 acres of slopes and low areas. The reclamation treatments map shows a red area of 4.92 acres. Is there a typographical error in the acreage? Please explain.

Totaling acreage for the eleven items in the reclamation estimate gives a reclaimed area of 14.40 acres with a total cost of \$15,809.88, and an average cost per acre of \$1,097.91. This reclamation estimate total acreage does not agree with the total acreage indicated on the Proposed Surface Facility Map of 13.96 acres, or the total acreage indicated on the Reclamation Treatments Map of 13.65 acres. It is possible, that variances, or the omission of dump slopes account for these differing acreage figures. Please explain these different total acreages.

In the "Cost & Materials Breakdown" page of the estimate, item 3 lists the unit cost for a Cat D7 dozer as \$75.00/hr. Division comparison of cost for a Cat D7R dozer using the Rental Rate Blue Book for equipment rental & operating costs, and using the Means Heavy Construction Cost Data 1997 for operator costs gives a total operating cost of approximately \$154/hr. Please provide contractor quotes to support the unit cost for a Cat D7 of \$75/hr, or revise the estimate using the Division's unit cost of \$154/hr.

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M/001/019
December 10, 1997

The Division requires the addition of a 10% contingency to the reclamation estimate subtotal. After adding this contingency, the new subtotal is in terms of current dollars (1997). The current dollar subtotal is then escalated five years into the future using an escalation factor (currently 2.52%) to arrive at the bond amount to be posted in terms of year 2002 dollars. This escalated amount is what the Division will require as the amount of reclamation surety. You may revise the reclamation estimate to include the contingency and escalation, or the Division can perform these calculations after receiving the revised estimate. (AAG)

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